

HOUSING OF THE WORKING CLASSES
(IRELAND) BILL.

Financial Assistance to Public Utility
Societies and Housing Trusts.

Presented to Parliament by Command of his Majesty.

- I.—Draft Regulations for Public Utility Societies.
- II.—Draft Regulations for Housing Trusts.
- III.—Draft Model Rules for Public Utility Societies.
- IV.—Copy of Explanatory Memorandum issued by Local Government Board for Ireland respecting Public Utility Societies.

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I. Draft Regulations for Public Utility Societies under
 Clause 10 of the Housing of the Working Classes
 (Ireland) Bill as presented to Parliament.

To THE COUNCILS of the several County Boroughs, Boroughs,
 and other Urban Districts in Ireland ;—

To THE several bodies of Town Commissioners in Ireland ;—

To ALL PUBLIC UTILITY SOCIETIES registered under the
 Industrial and Provident Societies Act, 1893, or any
 amendment thereof ;—

And to all others whom it may concern.

Whereas by Section 10 of the Housing (Ireland) Act, 1919,
 it is enacted that where a public utility society as defined by
 that Act has submitted to the Local Government Board a scheme
 for the provision of houses for the working classes and the
 scheme is approved by the Board, then, if the scheme is carried
 out within such period as may be specified by the Board, with
 the consent of the Treasury, the Board may pay or undertake
 to pay out of moneys provided by Parliament such contributions
 towards the cost of carrying out the scheme as may be determined
 to be payable under regulations made by the Board, with the
 approval of the Treasury, subject to such conditions (including
 conditions as to audit of accounts by auditors of poor law
 unions) as may be prescribed by those regulations ;

And whereas by Section 15 of that Act the expression "public
 utility society" is defined as follows :—

"The expression 'public utility society' means a society
 registered under the Industrial and Provident Societies
 Act, 1893, or any amendment thereof, the rules whereof
 prohibit the payment of any interest or dividend at a rate
 exceeding six per cent. per annum."

NOW, THEREFORE, We, the Local Government Board for
 Ireland, in pursuance of Our powers under the recited enactments
 and under any other Statutes in that behalf, and with the
 approval of the Lords Commissioners of His Majesty's Treasury,
 hereby make the following Regulations :—

ARTICLE I.—In these Regulations, unless the contrary intention
 appears :—

- (a) The expression "the Board" means the Local Govern-
 ment Board for Ireland ;
- (b) The expression "Public Utility Society" has the same
 meaning as in the Housing (Ireland) Act, 1919 ;

- (c) The expression "Local Authority" means the Local Authority, within the meaning of Sections 54 and 99 of the Housing of the Working Classes Act, 1890, as amended by Section 1 (1) of the Housing (Ireland) Act, 1919, for the urban district or town in which the houses are provided or to be provided by the Public Utility Society.
- (d) The expression "Auditor" means an Auditor of poor law unions.

ARTICLE II.—Subject to the provisions of these Regulations, and provided that these Regulations are complied with :—

- (1) An annual contribution out of moneys provided by Parliament (hereinafter referred to as "the Exchequer subsidy") may be made by the Board towards the cost of carrying out a scheme submitted by a Public Utility Society (hereinafter referred to as "the Society") and approved by the Board;
- (2) The Exchequer subsidy shall be an amount equivalent to thirty per cent. of the annual loan charges on the total capital expenditure incurred by the Society for the purposes of the approved scheme:

Provided that in the case of the annual loan charges incurred by the Society before the houses are completed, if the balance of those charges, after deducting the Exchequer subsidy, is defrayed out of borrowed moneys, such moneys shall not, for the purposes of this Article, be included as part of the total capital expenditure incurred by the Society under the approved scheme:

Provided also that the Board may reduce the amount of the Exchequer subsidy in any case in which they are satisfied that the capital expenditure incurred by the Society has been excessive.

- (3) The Exchequer subsidy shall be payable in two half-yearly instalments during the currency of the loans raised from the Commissioners of Public Works in Ireland for the purposes of the approved scheme or, where no loans have been so raised, then during the period of fifty years from the date on which the scheme was approved by the Local Government Board, and shall be reduced by the Board so far as may be necessary when any one of the said loans has been wholly repaid;
- (4) For the purposes of this Article the annual loan charges on the total capital expenditure incurred by the Society shall be deemed to be the annual loan charges

which would have been payable by way of equal annual instalments of principal with interest combined, on the like amount of capital expenditure if it had been borrowed from the Commissioners of Public Works in Ireland on the terms granted for the time being to Public Utility Societies, whether the capital has, in fact, been borrowed from the said Commissioners or otherwise provided.

ARTICLE III.—The scheme shall be submitted to the Board for their approval before the 15th day of April, 1920, or such later date as the Board may allow, and shall be carried into effect before the 31st day of March, 1922, or such later date as the Board may allow.

ARTICLE IV.—(1) The scheme as submitted for approval shall be accompanied by detailed plans, specifications, and estimates of the cost of the works, by a balance sheet showing the estimated annual income and expenditure under the scheme and by a printed copy of the registered rules of the Society.

(2) The carrying out of the works shall be subject to the supervision of the Board, exercised either through their own officers or through the Local Authority.

ARTICLE V.—For the purposes of Article II. (2) of these Regulations the sum to be included in the total capital expenditure incurred by the Society for the purposes of the approved scheme in respect of the professional charges, in connection with the building of the houses and the lay-out of the estate under the scheme, shall not exceed five per cent. of the capital expenditure approved by the Board.

ARTICLE VI.—The rents to be charged for houses included in the scheme shall be subject to the approval of the Board and shall not be altered without their consent.

ARTICLE VII.—The Society shall not sell any land or houses included in the approved scheme, except with the consent of, and subject to conditions laid down by, the Board.

ARTICLE VIII.—(1) The Society shall keep separate accounts relating to the approved scheme, and those accounts shall be made up and shall be audited by an Auditor in like manner, and subject to the same provisions, as the accounts of an Urban District Council, and for this purpose the enactments and regulations relating to the audit of the last-named accounts by Auditors, and to all matters incidental thereto and consequential thereon, shall apply to the said accounts of the Society.

(2) So far as may be necessary for the purpose of his duties under sub-division (1) of this Article the Auditor shall have access to all the books, deeds, documents and accounts of the Society.

(3) A balance sheet and summary of the accounts relating to the approved scheme for each financial year shall, during the ensuing financial year, be open to inspection by any person at the office of the Society, on payment of a fee of one shilling, and a copy of the balance sheet and summary shall be sent to the Local Authority at the conclusion of the financial year to which it relates.

ARTICLE IX.—The Society, in consideration of the payment of the Exchequer subsidy, shall give an undertaking, in a form approved by the Board, that

- (a) When the Exchequer subsidy has ceased to be payable they will devote towards the repayment of the Exchequer subsidies received by them such proportion as the Board may determine of the profits made by them in excess of the maximum amount which they are authorised by the statutes in force to pay by way of dividends or interest; and
- (b) If the houses included in the scheme are sold by the Society, either before or after the Exchequer subsidy has ceased to be payable, they will, if required by the Board, after paying the outstanding charges (if any) in respect of the moneys borrowed by them, and after paying off all shares at par, devote the remainder of the proceeds of the sale, or such part thereof as the Board may determine, towards the repayment of the Exchequer subsidies.

ARTICLE X.—(1) The rules of the Society and any amendment thereof shall be subject to the approval of the Board.

(2) The rules of the Society shall, unless the Board otherwise allow, be so framed as to give effect to the following provisions :—

- (i) The objects of the Society shall include the provision, improvement and management of houses for the working classes.
- (ii) Every member of the Society shall hold at least one share (of the value at the least of £1) in the Society, and the Board of Management of the Society shall not refuse to admit to membership of the Society any person who has been for three months a tenant of the Society.

(iii) Tenants [or, if the Society so determine, tenant members] may elect annually from among themselves a Tenants' [or Tenant Members'] Committee, and such Committee shall have such rights, powers and duties (in addition to those which are expressly conferred on or vested in them by the Rules of the Society), as the Board of Management of the Society, with the concurrence of such Committee, may determine. Each tenant [or tenant member] shall be entitled to one vote at the election of the members of the said Committee.

(iv) The management of the business of the Society shall be vested in a Board of Management, of whose members (as from the date of the first annual general meeting of the Society after the approval of the scheme) at least one quarter shall be tenant members appointed by the Tenants' [or Tenant Members'] Committee.

(v) At all general meetings of the Society each fully paid-up share against which there is no set-off in the books of the Society shall carry one vote, and not less than five times that amount of loan stock held by a member shall carry one vote:

Provided that the possession of loan stock apart from membership shall not entitle its holder either to a vote or to attendance at meetings of the Society:

Provided also that a limitation may be imposed on the number of votes which may be recorded at any meeting by any one member.

(vi) Each tenant shall have undisturbed occupancy of his house and garden so long as—

- (a) he fulfils the tenancy regulations made by the Board of Management; and
- (b) he pays any rent or debts due from him to the Society; and
- (c) he and the occupants of his house avoid any conduct detrimental to good neighbourhood:

Provided that the tenant shall not be given notice to quit by the Board of Management on the ground of conduct detrimental to good neighbourhood except with the concurrence of the Tenants' [or Tenant Members'] Committee.

(vii) Subject to the provisions of Article IX of these Regulations any profits remaining to the Society after providing for:—

- (a) the annual charges, in respect of interest and repayment of principal, on the loans and loan stock raised by the Society;
- (b) the taxes, rates, rents, insurance premiums, or other charges payable by the Society in respect of any land or houses belonging to them;
- (c) the costs of administration and management and of repairs of property;
- (d) such allocations to a Reserve Fund as may be determined by the Board of Management;
- (e) any other necessary expenses incurred by the Board of Management; and
- (f) a dividend, not exceeding the rate authorised by the statutes in force, on the share capital of the Society;

shall be applied, in such manner as may be determined by the Board of Management, for the benefit of the tenants generally.

ARTICLE XI.—These Regulations may be cited as "The Public Utility Societies (Financial Assistance) Regulations (Ireland), 1919," and shall, unless and until revoked or altered by the Board, with the approval of the Lords Commissioners of His Majesty's Treasury, apply and have effect with respect to any scheme made by a Public Utility Society and approved by the Board in accordance with these Regulations:

Provided that in any case when a difficulty arises with regard to the application of these Regulations, the Board may, by Order, make such minor modification of these Regulations as may be necessary, in regard to any particular scheme, for the purpose of giving effect to the intention of these Regulations.

**II. Draft Regulations for Housing Trusts, under Clause
10 of the Housing of the Working Classes (Ireland),
Bill as presented to Parliament.**

To THE COUNCILS of the several County Boroughs, Boroughs,
and other Urban Districts in IRELAND ;—

To THE several bodies of TOWN COMMISSIONERS in IRELAND ;—

To THE TRUSTEES of all Housing Trusts as herein defined ;—

And to all others whom it may concern.

WHEREAS by Section 10 of the Housing (Ireland) Act, 1919, it is enacted that where a housing trust as defined by that Act has submitted to the Local Government Board a scheme for the provision of houses for the working classes and the scheme is approved by the Board, then, if the scheme is carried out within such period as may be specified by the Board, with the consent of the Treasury, the Board may pay or undertake to pay out of moneys provided by Parliament such contributions towards the cost of carrying out the scheme as may be determined to be payable under regulations made by the Board, with the approval of the Treasury, subject to such conditions (including conditions as to audit of accounts by auditors of poor law unions) as may be prescribed by those regulations ;

And whereas by Section 15 of that Act the expression "housing trust" is defined as follows :—

"The expression 'housing trust' means a corporation or "body of persons which, by the terms of its constituent "instrument, is required to devote the whole of its funds, "including any surplus which may arise from its operations, "to the provision of houses for persons the majority of whom "are in fact members of the working classes, and to other "purposes incidental thereto" :

NOW THEREFORE, We, the Local Government Board for Ireland, in pursuance of Our powers under the recited enactments and under any other Statutes in that behalf, and with the approval of the Lords Commissioners of His Majesty's Treasury, hereby make the following Regulations :—

ARTICLE I.—In these Regulations, unless the contrary intention appears :—

- (a) The expression "the Board" means the Local Government Board for Ireland ;
- (b) The expressions "Housing Trust" and "Public Utility Society" have the same meaning as in the Housing (Ireland) Act, 1919 ;

- (c) The expression "Local Authority" means the Local Authority within the meaning of Sections 54 and 99 of the Housing of the Working Classes Act, 1890, as amended by Sec. 1 (1) of the Housing (Ireland) Act, 1919, for the urban district or town in which the houses are built or to be built by the Housing Trust.
- (d) The expression "Auditor" means an Auditor of poor law unions.

ARTICLE II.—Subject to the provisions of these Regulations and provided that these Regulations are complied with:—

- (1) An annual contribution out of moneys provided by Parliament (hereinafter referred to as "the Exchequer subsidy") may be made by the Board towards the cost of carrying out a scheme submitted by a Housing Trust and approved by the Board, and the amount of the Exchequer subsidy shall be calculated as herein-after provided.
- (2) The amount of the Exchequer subsidy shall be the equivalent of thirty per centum of the annual charges which would have been payable, in respect of interest and repayment of principal, on the total capital expenditure incurred by the Trustees for the purposes of the approved scheme if the amount of that capital expenditure had been borrowed from the Commissioners of Public Works in Ireland, on the same terms as those granted for the time being to a Public Utility Society for the like purposes:

Provided that the Board may reduce the amount of the Exchequer subsidy in any case in which they are satisfied that the capital expenditure incurred by the Trustees has been excessive.

- (3) The Exchequer subsidy shall be payable, in two half-yearly instalments, during the period of fifty years from the date on which the scheme is approved by the Board, and for the purposes of subdivision (2) of this Article that date shall be the date from which the annual charges therein referred to shall be deemed to become payable.

ARTICLE III.—The scheme shall be submitted to the Board for their approval before the 15th day of April, 1920, or such later date as the Board may allow, and shall be carried out before the 31st day of March, 1922, or such later date as the Board may allow.

ARTICLE IV.—(1) The scheme as submitted for approval shall be accompanied by detailed plans, specifications, and estimates of the cost of the works.

(2) The carrying out of the works shall be subject to the supervision of the Board, exercised either through their own officers or through the Local Authority.

ARTICLE V.—The total capital expenditure in respect of which the annual charges referred to in Article II. (2) of these Regulations shall be deemed to be payable shall not include any sum in respect of the professional charges, in connection with the building of the houses and the lay-out of the estate under the scheme, in excess of five per centum of the capital expenditure approved by the Board.

ARTICLE VI.—The rents to be charged for houses included in the scheme shall be subject to the approval of the Board, and shall not be altered without the consent of the Board.

ARTICLE VII.—The Trustees shall not sell any land or houses included in the approved scheme, except with the consent of, and subject to conditions laid down by the Board.

ARTICLE VIII.—(1) The Trustees shall keep separate accounts relating to the approved scheme, and those accounts shall be made up and shall be audited by an Auditor in like manner, and subject to the same provisions, as the accounts of an Urban District Council, and for this purpose the enactments and regulations relating to the audit of the last-named accounts by Auditors, and to all matters incidental thereto and consequential thereon, shall apply to the said accounts of the Trustees.

(2) So far as may be necessary for the purpose of his duties under sub-division (1) of this Article the Auditor shall have access to all the books, deeds, documents and accounts of the Trustees.

ARTICLE IX.—The Trustees, in consideration of the payment of the Exchequer subsidy, shall give an undertaking, in a form approved by the Board, that:—

- (a) after the expiration of the period of fifty years from the date on which the scheme is approved by the Board they will devote towards the repayment of the Exchequer subsidies received by them such proportion as the Board may determine of the profits made by them under the approved scheme; and
- (b) if the houses included in the scheme are sold by the Trustees, either before or after the expiration of the said period, they will devote the proceeds of the sale, or such part thereof as the Board may determine, towards the repayment of the Exchequer subsidies.

ARTICLE X.—These Regulations may be cited as “The Housing Trusts (Financial Assistance) Regulations [(Ireland), 1919,” and shall, unless and until revoked or altered by the Board, with the approval of the Lords Commissioners of His Majesty’s Treasury, apply and have effect with respect to any scheme made by a Housing Trust and approved by the Board in accordance with these Regulations.

Provided that in any case where a difficulty arises with regard to the application of these Regulations, the Board may, by Order, make such minor modification of these Regulations as may be necessary, in regard to any particular scheme, for the purpose of giving effect to the intention of these Regulations.

III. Draft Model Rules for Public Utility Societies.

MEMORANDUM.

In order to qualify for financial assistance under the Housing of the Working Classes (Ireland) Bill, which is now before Parliament, a Public Utility Society will have to frame its rules so as to comply with the requirements of the Bill, when it becomes law, and of any regulations which may be made by the Local Government Board thereunder.

The rules must show that the objects of the Society include the provision, improvement, and management of houses for the working classes, and must provide that the rate of interest on any share, and on any moneys borrowed by the Society or any loan stock issued by them, shall not exceed the rate of 6 per cent. per annum. These requirements can be met by the adaptation of existing "common form" rules.

Complete sets of model rules have been drawn up by several associations whose object is to promote the formation of Public Utility Societies; and these include the rules (embodying the requirements of the Industrial and Provident Societies Acts) which have been prescribed by the Registrar of Friendly Societies, by whom the Society must be registered.

The further requirements which would have to be met in order to comply with the draft regulations are set out below in the form of rules. It is intended that these rules should be regarded as models which may be adopted subject to such modifications as may be necessary to meet the particular circumstances, provided that the regulations are complied with. They are not intended to deal exhaustively with the subject-matter to which they refer, and in practice they will be incorporated with other rules or groups of rules dealing with the same subject-matter.

MODEL RULES.

- 1. Membership.*—The members of the Society shall be those persons whose names are appended to these Rules, and any other persons whom the Board of Management may admit. Every member shall hold at least one share in the Society. The Board of Management shall not refuse to admit to membership of the Society any person who has been a tenant of the Society for not less than three months.

2. *Tenant Members' Committee.*—Tenant members shall elect annually from among themselves a Tenant Members' Committee* consisting of members and each tenant member shall be entitled to one vote for the election of such Committee. The Committee, in addition to the rights, powers and duties which are conferred on or vested in them by these Rules, shall have such rights, powers and duties as may be delegated to them, with their concurrence, by the Board of Management.

3. *Management of Business of Society.*—The management of the business of the Society shall be vested in the Board of Management for the time being, who may either directly or by delegation exercise all such powers as may be exercised by the Society, except those expressly required by these Rules or by Statute to be exercised by the Society in general meeting.

4. *Appointment of Board of Management.*—The Board of Management, from the date of registration of the Society to the first annual general meeting of the Society, shall consist of those persons whose names are appended to these Rules, with power to add to their number. In all subsequent periods the Board shall consist of not less than five or more than twelve members. Two of such members, or, if the total number of members exceeds eight, three of such members shall be tenant members appointed by the Tenant Members' Committee. The remaining members shall be elected at the annual general meeting of the Society.†

5. *Votes of Members.*—At all general meetings of the Society each fully paid-up share against which there is no set-off in the books of the Society shall carry one vote, and five times that amount of loan stock held by a member or tenant member shall carry one vote, but the possession of loan stock apart from membership shall not entitle its holder either to a vote or to attendance at meetings. Votes may be given personally or by proxy.‡

6. *Security of Tenure.*—Each tenant shall have undisturbed occupancy of his house and garden so long as—

- (a) he fulfils the tenancy regulations made by the Board of Management;
- (b) he pays any rent or debts due from him to the Society; and

* The Committee may, if desired, be a Tenants' Committee, appointed by all the tenants of the Society. But in that case the Rules must provide that the members of the Board of Management appointed by the Committee must be tenant members of the Society. See Rule 4.

† The Rules may if desired provide for the representation of Local Authorities on the Board of Management.

‡ The regulations admit of further limitation being imposed on the number of votes which may be recorded by any one member. See Article X (2) (v), page 6.

(c) he and the occupants of his house avoid any conduct detrimental to good neighbourhood :

Provided that a tenant shall not be given notice to quit by the Board of Management on the ground of conduct detrimental to good neighbourhood except with the concurrence of the Tenant Members' Committee.

7. *Application of Profits.*—Any profits remaining to the Society after providing for—

- (a) the annual charges in respect of interest and repayments of principal, on the loans and loan stock raised by the Society ;
- (b) the taxes, rates, rents, insurance premiums, or other charges payable by the Society in respect of any land or houses belonging to them ;
- (c) the costs of administration and management and of repairs of property ;
- (d) such allocations to a reserve fund as may be determined by the Board of Management ;
- (e) any other necessary expenses incurred by the Board of Management ; and
- (f) a dividend not exceeding the rate authorised by Rule *, on the share capital of the Society ;

shall be applied, in such manner as the Board of Management may determine, for the benefit of the tenants generally.

8. *Regulations by the Local Government Board.*—In order that financial assistance may be obtained from the Exchequer under the Housing (Ireland) Act, 1919, towards the loan charges in respect of any houses provided by the Society under a scheme approved by the Local Government Board under that Act, the regulations made by that Board, which are set out in the appendix to these rules, shall in all respects be complied with, and these rules, so far as they apply to any subject-matter of those regulations shall have effect subject to those regulations.

* Under the Housing of the Working Classes (Ireland) Bill the rate will be 6 per cent

IV. Copy of Memorandum issued by the Local Government Board for Ireland on the 12th June, 1919, respecting the formation of and State assistance to Public Utility Societies.

With a view to supplementing the provision of houses by Local Authorities, the Government desire to encourage Public Utility Societies to undertake building operations, by giving financial assistance to such Societies as submit schemes for the erection of working-class dwellings within a specified time, and carry them out within two years or such further period as may be approved by the Local Government Board. Provisions to this end have been included in the Housing of the Working Classes (Ireland) Bill which is at present before Parliament.

The Government are satisfied that much can be done to meet the urgent housing needs of the moment by Public Utility Societies formed or to be formed for the provision of working-class houses. A number of Societies are already in existence, though their activities have necessarily been limited during the war, and it is hoped not only that the existing Societies will extend their operations, but also that many industrial organisations and others interested in the provision of working-class houses will promote the formation of new societies. Employers of labour are, no doubt, alive to the advantages of securing adequate housing accommodation for their employees under an arrangement which gives the latter, as members of a Public Utility Society, a voice in the management of their houses.

All classes of the community—employers, working men, and public-spirited private citizens—can, through these Societies, give direct personal assistance towards the solution of the Housing problem. Such assistance is needed; for the task to be accomplished is a gigantic one. The Labourers Acts have indeed gone a long way towards providing healthy and comfortable houses for agricultural workers, but in almost all the cities and towns of Ireland, families are still housed in old decaying tenements or in dwellings which, in one or more respects, fall short of a reasonable standard of comfort, whilst the children too often have no playground but the public street. It is officially estimated that at least 50,000 new houses are urgently needed. The duty of providing them lies primarily upon the Local Authorities, but these will, in many cases, no doubt, welcome the assistance

of all who are ready to lend a hand. Seven or more persons with a Secretary may combine to form a Public Utility Society. For example, the employees of a firm, with or without the assistance of their employer, can join together to build houses for themselves, giving perhaps their spare-time labour against shares in the Society, and thus become automatically part-owners in the houses which they have built. Or the members of a Co-operative Society (registered under the Industrial and Provident Societies Act) can proceed in a like manner, provided always that its rules already include, or are amended so as to include, the provision of working-class houses among its "industries, businesses or trades." Public Utility Societies are expressly forbidden by law to pay interest or dividends on their capital in excess of a moderate statutory limit,* and any profits in excess of this rate must, after repayment of any loans or subsidies, be used for the benefit of the tenants. Consequently neither speculative building for private profit nor a tied-house system can result from their operations. The share holding of any individual must not exceed £200, but this limit does not apply to holdings of loan stock.

A simple illustration of the working of a Society under the conditions proposed to be established by the new Irish Housing Bill may be given. A number of persons decide to promote a scheme in their district. Seven members of the group, together with an eighth person, acting as Secretary, then sign an application for registration and send it, with four copies of their proposed rules,† which must also be signed by the same eight persons, to the Local Government Board who, if the rules are in order, will forward the application to the Assistant Registrar of Friendly Societies, 12 South Frederick Street, Dublin. When a certificate of registration has been granted, the Society is duly constituted, and the eight persons above mentioned become its Committee of Management, holding office until the first General Meeting is held, when their positions may be confirmed or not. After registration, the Committee should submit to the Local Government Board for Ireland proposals in the manner indicated in Section 3 (Procedure) of this Memorandum. If their scheme is approved, the Society may obtain financial assistance as follows. Let us assume the total amount to be expended in acquiring and developing a site and erecting houses is £4,000. Of this amount, the Commissioners of Public Works, on the recommendation of the Local Government Board, may advance three-quarters, or £3,000, for a period of not more than 50 years. In addition, the Exchequer will pay a subsidy equal to 30 per cent. of the Loan charges on the total capital, i.e., in the case

* At present 5 per cent., but proposed in the Housing Bill to be 6 per cent.

† Drafts of Regulations and of Model Rules for Public Utility Societies will be sent on request by the Housing Department, Local Government Board, Dublin.

contemplated, £72. Consequently the Society will only be required to find one-fourth of the capital and to meet an annual charge of £168. In making this calculation, it has been assumed that the rate required to cover interest and sinking fund will be 6 per cent.

Moreover, it must be remembered that a Society may not wish to use to the full extent its powers of borrowing from the State. It may well be able to obtain from members or other sources, such as banks, housing societies, employers, or others, money at a lower rate of interest than that which the State will have to charge. And herein is opened a way in which a "thrifty" Society may reap a fuller advantage of the State's subsidy proposals. Though the Society borrow its money, or part of it, at less than the interest charged by the State, it may still claim its yearly subsidy on the same basis as though it had borrowed three-quarters of its capital from the State and were paying the full Government rate of interest.

Further assistance may in some cases be obtained from Local Authorities. Subject to Regulations to be made by the Local Government Board, Local Authorities may assist Public Utility Societies, whose objects include the erection, improvement or management of houses for the working-classes, by making grants or loans, by subscribing for shares or loan capital, or by guaranteeing the payment of interest on the money borrowed by Societies from other sources.

Each Society must, of course, be prepared to rank the debt to the State as a first charge on its property, and its loan stock as coming before its share capital for purposes of interest. It must build on lines approved as to site, lay-out, house-plans and otherwise, by the Local Government Board. It must charge only fair and reasonable rents, and must (as already indicated) submit and carry out its schemes within a specified time. Subject to these conditions, the lands developed and the houses built will be the property of the members of the Society, and all advantages and profits arising out of the scheme will be theirs.

The following paragraphs summarise the requirements which a Society must meet in order to qualify for assistance from the State, define the proposed terms of such assistance and give additional information regarding procedure.

I.—SOCIETIES ELIGIBLE FOR FINANCIAL ASSISTANCE.

In order to rank as a Public Utility Society eligible for financial assistance a Society—

- (a) must have for its object, or one of its objects, the provision of houses for the working classes;

- (b) must be registered under the Industrial and Provident Societies Act, 1893, or any amendment thereof;
- (c) must by its Rules prohibit the payment of interest or dividend at a rate exceeding the statutory limit; † and
- (d) must comply with regulations† to be made by the Local Government Board, with the approval of the Treasury, under the provisions of the Housing of the Working Classes (Ireland) Bill.

2.—TERMS OF FINANCIAL ASSISTANCE.

To a Public Utility Society which complies with the conditions above indicated, the financial assistance to be granted in respect of a housing scheme approved by the Local Government Board and carried out within the prescribed period will take the following forms :—

Raising of Capital.

The Commissioners of Public Works in Ireland will be authorised to advance on the recommendation of the Local Government Board so much of the capital required as in the opinion of the Board the Society cannot reasonably be expected to raise from private sources; but the total amount so advanced will in no case exceed three-quarters of the total cost of the acquisition of the land, the development of the site, and the erection of houses, as shown by the accepted tenders.

The loan will be advanced at the rate at which advances are for the time being made to Local Authorities by the Commissioners of Public Works for Assisted Housing Schemes. It will run for a period not exceeding 50 years, and the repayment of principal and interest, which will be a first charge upon the property, will be on the annuity system.

It is proposed to arrange for advances to be made by instalments, as the work proceeds, on the certificate of an architect or surveyor approved by the Local Government Board; but before advancing each instalment the Commissioners of Public Works will require to be satisfied that a proportionate instalment of the capital to be privately subscribed has been raised. The advances in respect of unfinished houses will not in any case exceed 50 per cent. of the cost represented by the work done.

If in the opinion of the Commissioners of Public Works there is a special risk that it may at some future date during the currency of the loan be impossible to secure tenants for a large

† See notes on page 14

proportion of the houses, owing to changes in the industrial circumstances of the locality, it will be open to them to require collateral security.

Exchequer Subsidy.

(1.) In addition to the advance of capital above mentioned, an annual subsidy will be paid during the currency of the loan by the Local Government Board in consideration of the abnormal cost of building houses at the present time. The subsidy will be an amount equal to 30 per cent of the annual loan charges on the total capital expenditure incurred for the purposes of the approved scheme, and, for the purpose of calculation, the charges will be reckoned on the basis of the Treasury terms for repayment of principal and interest by equal half-yearly instalments, from whatever source the capital may in fact have been raised.

(2). While the amount of the subsidy will be determined on the basis above described, the Local Government Board will reserve to themselves the right of reducing the subsidy in any case in which there is evidence of failure on the part of the Society to secure due economy in the erection of the houses.

(3). Any Society seeking financial assistance will be required to give an undertaking in legal form that, after the loan has been paid off, any profits of the Society in excess of 6 per cent shall be devoted in whole or in part as may be required by the Local Government Board towards the repayment of sums received from the Exchequer by way of subsidy during the currency of the loan ; and that in the event of the property being sold, either before or after the loan has been paid off, the Society will, after paying off outstanding charges (if any) and shares at par, devote the remainder of the proceeds of the sale, if so required by the Local Government Board, to the repayment of the whole or part of the Exchequer subsidies.

3.—PROCEDURE.

(1). The Local Government Board will, on application, forward draft Regulations and draft Model Rules to any persons proposing to form a Public Utility Society for housing purposes, and will be ready to give advice respecting the Rules of the Society.

(2). The advice of the Board and their expert staff will be at the disposal of the Society in regard to the selection of a site and the standard of houses ; and the proposals of the Society on these matters and the general outlines of their scheme should be submitted to the Local Government Board at the earliest stage after the registration of the Society.

(3). If the proposals thus submitted are stated by the Local Government Board to be generally suitable, plans should be prepared on the advice of a properly qualified architect for the lay-out of the site and for the houses, of which there should ordinarily be approximately 12 to the acre in urban areas, and 8 in agricultural areas.

Where possible an option to purchase the suggested site should be obtained, and the purchase should not be completed until the site has been inspected and approved.

(4). Before giving their formal approval to schemes the Board will require to be furnished with plans and estimates, a statement of the rents proposed to be charged and information as to the Society's share and other capital, together with a printed copy of the Registered Rules. But if the procedure above described is followed, the schemes can be dealt with by stages and delay thus avoided.

All communications with reference to this Memorandum should be addressed to the Housing Department, Local Government Board, Dublin.

Local Government Board,

Dublin, 21st June, 1919.